## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT Division of Housing Policy Development

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November 20, 2006

Ms. Jan McClintock, City Manager City of San Juan Bautista 311 Second Street San Juan Bautista, CA 95045

Dear Ms. McClintock:

## RE: Review of the City of San Juan Bautista's Revised Adopted Housing Element

Thank you for submitting San Juan Bautista's housing element, as adopted by the City Council on August 15, 2006, and received for review on August 22, 2006. Pursuant to Government Code Section 65585(h), the Department is required to review adopted housing elements and report the findings to the locality. A series of telephone conversations with you, Mr. Matthew Sundt, City Planner, and Ms. Elizabeth Caraker, the City's former City Planner/housing element consultant, facilitated the review.

The revised adopted element addresses most of the findings described in the Department's May 5, 2006 review. For example, according to the revisions (Table 4-19), the adequate sites statutory requirement will be accommodated through a combination of development strategies, including implementation of the recently adopted mixed use ordinance and district (bounded by Second, Muckelemi, Fourth, and Franklin streets), along with second-unit development. Since mixed use development in the downtown area is a key strategy in addressing its housing needs, the City must be diligent in promoting (and monitoring) new residential development opportunities as called for in Program H-23.

Future development of individual projects with more than 4-units on the identified sites continues to be constrained (at least in the near term) by the existence of the City's Growth Management Ordinance (GMO) (Municipal Code Section 10-4-100 through 200). As discussed with you and Mr. Sundt, while the revised adopted element includes a new program (H-24) to mitigate the impact of the GMO, the actions described in the program are not sufficient to address the constraints associated with the GMO. To comply with State housing element law (Article 10.6 of the Government Code), the element must be revised to demonstrate stronger and more timely commitment to removing and/or mitigating the constraints associated with the GMO. Specifically, the element must address the following statutory requirement:

Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(4)).

Program H-24 commits the City to submitting ordinance amendments to the voters that would provide exceptions for the infill and underutilized mixed-use sites identified in the housing element's sites inventory. However, the proposed implementation date of November 2008 (the next scheduled general election) is near the end of the current planning period and, thus, too late to be effective in providing an unconstrained process for approving larger residential projects and addressing the City's housing need this planning period. Therefore, Program H-24 must be expanded to commit the City to preparing the requisite draft initiative language and being prepared to submit amendments to the GMO to the voters no later than November 2007, and/or in conjunction with the first development project of more than 4-units, whichever occurs first. Adoption of amendments to the GMO by June 2007 would still provide a 19-month window within the current planning period for development to occur. For your information, the City's next comprehensive housing element update is due to be completed by June 30, 2009.

The element must also be expanded to describe in detail and define the specific exceptions that will be provided and explain how these exceptions with ensure that development applications for projects <u>affordable to lower income</u> and special needs households can and will be processed without voter approval. Program H-24 could also be expanded to include an implementation action that would increase the number of units that could be approved without voter approval (e.g., 50 units).

The Department hopes these comments are helpful and would be glad to assist the City in addressing the above requirements. If you would like to schedule a technical assistance meeting or site visit, please contact Don Thomas, of our staff, at (916) 445-5854.

Sincerely,

Cathy E. Creswell
Deputy Director